



# People Are What Matter Most in Life

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**F**or many people, this is the time of year that we give the most to our families, friends and particularly those in need. It is a time when we think of others, celebrate the holidays with those we care about, cheer with them and hope for a happy new year. This is also the time of year when we think about the people who have had the greatest impact on our lives, people we have lost and those who have entered our lives.

That is what the life insurance industry is really about: people. The nature of the life insurance business is to help families move on financially after the loss of a loved one, or a small business after the loss of a key person. We also help secure income for retirement years. We provide long-term care options to care for an elderly family member. And we lessen the financial stress that comes from disability.

## Helping Families and Businesses Move On

When life insurance is in place, life insurers provide the funds to cover the mortgages and car loans, continue paying for education, continue making the business payroll, continue to operate the family business, and provide financial assistance for other needs. The life insurance industry pays billions to New Yorkers annually—\$27 billion in 2012<sup>1</sup> (\$104 million every business day).

## Funding Retirement Income for New Yorkers

The life insurance industry provides both the financial advice needed to help people create a personal retirement plan as well

as long-term income products – such as life-time annuities – designed to provide income that retirees never outlive. New Yorkers were paid \$7 billion in annuity benefits in 2012<sup>2</sup>.

## Providing Options for Long-Term Care

When long-term care insurance is in place, financial assistance is there to help a person stay at home through home health care, receive adult day care or reside in an assisted living facility. According to the most recent data, 357,000 residents of New York (or approximately two percent of the state’s adult population) owned long-term care insurance as of 2011<sup>3</sup>.

## Supplementing Income During a Disability

There are many suitable disability income insurance options for New Yorkers to supplement their income. Such policies help protect a family’s savings, pay their bills, and possibly live without government assistance.

When these critical protections are in place, the life insurance industry can make a significant, positive difference as just described. But still, often it is not. Take life insurance for example: \$950 billion is the estimated unmet life insurance need in New York State for 4.4 million households<sup>4</sup>. It would be a great start to the New Year for those 4 million plus households if they purchased life insurance coverage. Without protection, the unmet need represents a significant void that would unnecessarily burden a family, their friends, their community and even the federal, state, and local governments.

New York’s public policy goals for the insurance sector should be to implement policies that create an environment that encourages households to secure vital life insurance, annuities, long-term care insurance, and disability income insurance – obviating the need for costly government support for families in time of loss, disability, or retirement. The industry continues to have the capacity and the range of products available to meet these insurance needs of New Yorkers.<sup>[A]</sup>

*Thomas E. Workman is the President and Chief Executive Officer of the Life Insurance Council of New York, Inc. LICONY is the principal voice of the life insurance industry in New York. LICONY works to create and maintain a legislative, regulatory, and judicial environment that encourages its members to conduct and grow their life insurance businesses here in New York State. For stories about New Yorkers who have benefitted greatly from purchasing the products of life insurers, go to [www.licony.org](http://www.licony.org), click on “Published Articles” in the NEWSROOM box on the homepage.*

1 Source: ACLI 2014 New York Facts, [www.acli.com](http://www.acli.com). Includes death benefits, matured endowments, dividends, surrender values and other payments.

2 Source: ACLI 2014 New York Facts, [www.acli.com](http://www.acli.com)

3 Source: LIMRA, Supplements to the Individual and Group Long-Term Care Insurance Sales and In-Force Survey

4 Source: LIMRA estimates for New York based on Closing the Life Insurance Gap: One Household at a Time, 2012



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